

GENERAL INFORMATION

Mayoral Dinner with Limerick, Ireland and the City of Santa Clara held October 25:

After having the opportunity to welcome visitors from our Sister City, Limerick, Ireland as a Special Order of Business at the Council meeting on Tuesday evening, Santa Clara hosted a Mayoral Dinner on October 25 at Mission Bistro located at Mission College. In addition to the delegation and host families, the occasion was attended by city leaders and representatives from various community organizations. This was a great opportunity to showcase the City's assets and significance to California history and Silicon Valley and, in addition, an opportunity to strengthen our collaboration with Limerick.

Halloween Home Decorating Contest Judging on October 27: In partnership with the Cultural Commission, the first Halloween Home Decorating Contest was held and residents were invited to participate by decorating their front yards and the exterior of their homes. Twenty-one homes will be competing to win as "Most Original" and "Scariest" and there is a "Most Liked" category for those that submitted a video on the Cultural Commission's Facebook page. The judging panel will be taking a driving tour of all homes that entered the contest on October 27 and winners will be announced October 30. A huge thank you to Great America for donating tickets to this year's WinterFest for winners, who will also be recognized at an upcoming Council meeting.

Healthy Cities Initiative: The Santa Clara County Department of Health launched the Healthy Cities Initiative last year and this week provided this year's "dashboard" rating Santa Clara on strategies that fall under the prescribed categories of 1) active & safe communities; 2) healthy food beverage environments; 3) tobacco-free communities; and 4) cross-cutting strategies. With criteria established by the County, Santa Clara achieved two new strategies over last year's report; however, the report is still under review by city departments for feedback. This report is only a measurement of the limited initiatives identified by the County and is not inclusive of the numerous health and wellness programs that the City has operated for years. The final report will be issued by the County on November 7.

Santa Clara Valley Water District (SCVWD) Grant Workshop: On October 26, city staff will be attending a workshop hosted by SCVWD to discuss \$300,000 available for 1) water conservation research (\$100,000) and 2) wildlife habitat restoration and improved access to trails (\$200,000). We will assess these potential opportunities and report back to Council.



CORE ENA Extension: On October 18, CORE Affordable Housing, the developer of the Santa Clara Sustainable project on the former BAREC site exercised its second (and last) 6-month option to extend the term of their Exclusive Negotiating Rights Agreement (ENA). The ENA will now expire on April 20, 2018. During recent months, CORE has been working to incorporate the feedback from Project for Public Spaces into their site plan and updated their project description and financials. There are still many tasks to be completed including but not limited to: preparation of an EIR, completion of the City's development review process, negotiation and documentation of a Disposition and Development Agreement, and Planning Commission/City Council approvals. As such, in November staff will be requesting Council consideration of an additional extension to the CORE ENA to allow the developer with sufficient time to complete these tasks.

Mutual Aide Assignments for Fires in North Bay Conclude:

On October 20, firefighters returned to Santa Clara from their mutual aid firefighting assignment in the North Bay. The ten-day assignment included structure protection and some recovery operations during the large fast-moving fires. A Battalion Chief also returned from his deployment as a Safety Officer in a large fire in Mendocino County.

Library Acquires Historical Portraits: Three beautiful portraits painted by Ernest Narjot, a French painter who came to Santa Clara during the Gold Rush, were recently de-accessioned from the Museum at the City of Monterey. Bequeathed to the City of Monterey in 1976 by the Hoffman family, Chalet Booker, Cultural Arts Assistant in Monterey, thought they should be returned to the three women's hometown, Santa Clara. The portraits are thought to have been painted in the early 1880's and are of daughters and a granddaughter of George Bellamy for whom Bellomy [sic] Street is named. These portraits were delivered to Santa Clara on October 18 and will be on display in the Heritage Pavilion of the Central Park Library.

Montague Park Rehabilitation Community Meeting: The first community outreach for Montague Park Rehabilitation was held on October 21. Over 30 resident attendees expressed their thoughts about park features that currently work well and discussed new features that would improve the park, such as a new loop pathway, a covered picnic area, a larger age-appropriate consolidated playground, adult outdoor fitness equipment, off-street parking, a building move to the De La Cruz side. Staff is developing a community survey that will be issued as an additional method for obtaining community feedback.

Homeridge Park Playground Rehabilitation Meeting: The first community outreach for Homeridge Park Rehabilitation was held on October 21 at the park, with over 60 attendees. Presenting displays outdoors provided an informal and relaxed setting for neighbors to meet each other and provide input. Attendees expressed their thoughts about park features that currently work well, such as preserving the mature trees and natural setting and discussed new features that would improve the park, such as meandering walking paths, improved access to the park, new age appropriate playground and group picnic facilities, and potential move of the basketball court. Connectivity of the park to the creek trail was also discussed.



Bowers Park Playground Rehabilitation Community Meeting: An initial community input workshop was held on October 26 at the Santa Clara Teen Center where staff and the consultant, Verde Design, met with over 20 residents from the Bowers Park neighborhood to hear about playground improvements, including different playground apparatus for all age groups and abilities, keeping some of the legacy element such as the animal spring riders, adding a perimeter pathway loop, providing access to the creek and it's natural habitat, improving the pedestrian pathway lighting and safety, better park access and parking, ADA and inclusionary design elements, trees and beautification, potential sport court, picnic area options and park building improvements among other ideas. An online Open City Hall Survey is expected to launch November 3 and a booth will be set-up at the YAC Halloween Party, both of which will help to gather wider community input on the park improvements. The cost of playground improvements is supported by developer contributions and by grant funds.

Taxi Legislation: Governor Brown recently signed new Taxi legislation into law (Assembly Bill 1069). The stated intent of the legislation is to modernize the regulation of taxicab transportation services so that taxicabs may better compete with for-hire modes of transportation like Uber and Lyft. The legislature is intended to streamline taxicab permitting from the patchwork of various local requirements to requiring a permit in the jurisdiction in which the taxicab service has the most substantial connection. For that reason, modifications of the City's current taxicab ordinance would be needed by January 1, 2019 and would amended to indicate that Santa Clara will only be able to require business licenses for, and issue permits to, taxicab companies that (1) have their primary business address in Santa Clara, or (2) have trips originating in Santa Clara as the largest share of their total number of trips during calendar year 2018. It should be noted that other taxicab companies would still be allowed to operate in the City of Santa Clara as long as they have a permit from any city within the County of Santa Clara. The legislation, however, also authorizes the creation of a joint powers authority, as an alternative to taxi regulation by an individual city or county and the Santa Clara Cities Association has already identified this issue as one of its priorities for 2018 and a countywide taxi regulation system previously was advocated by the City Manager's Association. A countywide agreement would provide for uniform licensing procedures that could be implemented by cities within the county. This option would also require an amendment to the City's current taxicab Ordinance. As more information becomes availability, future updates will be provided.

Officer Involved Shooting: On October 21, at approximately 1:13 a.m., the Sunnyvale Department of Public Safety issued a bulletin to look out for a vehicle that had just been stolen in their city. At approximately 1:40 a.m., a Santa Clara police officer spotted the stolen vehicle driving on El Camino Real. Another officer arrived to assist and the officers stopped the stolen vehicle on El Camino Real at Scott Boulevard. When the officers exited their patrol vehicles, the suspect put his car in reverse and rammed into a police vehicle. The suspect continued to fail to listen to the officer's lawful commands to stop. The officer, in fear for his life, discharged his duty weapon at the suspect. The suspect was struck, given first aid by officers at the scene and then was transported to a local hospital where he underwent surgery and is listed in stable condition. The suspect is on parole for felony burglary and he does not possess a driver's license. The officer involved in the shooting was placed on routine paid administrative leave.



Tip-A-Cop for Special Olympics: On October 21, a Tip-A-Cop benefitting Special Olympics Northern California was held at the Rivermark Red Robin Burgers. Police personnel donated their time as “celebrity” servers during the dinner shift (5:00 p.m. – 9:00 p.m.) and over \$1,800 was raised.

Environmental Day held on October 21: A total of 316 residents attended Environmental Day, hosted by Recology, at 650 Martin Avenue on October 21. The participation is an increase of 111 participants from the previous Environmental Day that was conducted in March. A total of 10,560 pounds of paper was shredded and recycled and 330 pounds of donations were taken in and given to Goodwill. The amount of electronic waste dropped off at the event is not in yet, but the numbers are projected to be higher than previous events based on the number of pallets that were needed for shipping. The City calendar, Inside Santa Clara, and Next Door were the three most common ways that residents found out about the event.

Newhall Street Traffic Studies: The City will be studying the intersection of Newhall Street at Alviso Street for improved traffic controls (All-Way Stop signs) and to identify if traffic calming measures need to be implemented for Newhall Street. Traffic volumes and speed data will be collected within the next few weeks and the study will be completed by the beginning of December.

Completion of Water Tank for Emergency Storage: A City-hired contractor recently completed construction of a two million gallon storage tank, new pump station building, a vertical turbine and booster pumps, an electric transform and emergency generator, and inlet/outlet piping to the site at the City's Corporation Yard. The tank will also be connected via a dedicated water service connection, to the existing Emergency Operations Center (EOC) at the Corporation Yard. In addition to the added storage capacity, this tank increases operational flexibility for our water distribution staff. Council will consider acceptance of the job at their regular meeting on November 7.

Preparing for Winter Storms: City staff will be attending a meeting at the Santa Clara Valley Water District on October 26 to hear information about regional preparations for upcoming winter rain events and getting updates on flood control programs at the District. Along with staff from the Department of Public Works and Emergency Services staff at the Fire Department, Utilities staff will be responsible for responding to this winter's rain events to keep our customers informed, and respond to localized flooding to protect people and property in the City.

Extension of Massage Ordinance Amortization Period Notification: On October 25, letters to massage establishments and property owners were issued, which communicated the Council action, which extended compliance with the zoning requirements, under City Code Chapter 18.104 - Massage Establishments, from two years from the effective date of the new regulations to December 31, 2019 in order to evaluate feasible amendments to the Massage Ordinance. Recipients were notified to disregard the November 12, 2017 date set forth in previous updates.



LEVI'S STADIUM RELATED UPDATES

Levi's Stadium NFL Event: On October 22, a football game between the San Francisco 49ers and the Dallas Cowboys was held at Levi's Stadium. There were 64,216 fans in attendance with 39 fan ejections, 14 arrests, and 41 individuals brought to Rock Med for alcohol treatment.

Community Engagement for Levi's Stadium: In alignment with the Council/Board action of October 17, staff has prepared a Request for Proposals (RFP) to conduct thorough and statistically-valid community outreach and engagement regarding Levi's Stadium issues. As was directed, the scope of work seeks proposals for market research in the form of surveying (e.g., phone, online, mobile devices, mail, etc.) and facilitated focus group and community meetings, which will be conducted locally (including North San Jose and Sunnyvale), city-wide, and, specifically, in the Northside for those most impacted communities by events at the Stadium. With this multi-pronged approach, the RFP has been written in a manner that allows community outreach and engagement professionals to submit a proposal on all or either section of the scope, dependent upon their expertise. This provides the framework for potentially having two separate and distinct contracts to accomplish the overall goal. The RFP will be issued November 1 and proposals will be due to the City Manager's Office by 5:00 p.m. on November 22.

2026 FIFA World Cup Candidate Host Cities Information Meeting: As a follow up to my October 13 Weekly Report to Council, on November 14, the United Bid Committee will be hosting an informational meeting for the Candidate Host Cities in Houston, Texas. Each host city was invited to bring 6 delegates to represent their venues, CVB and local government. Levi's Stadium requested and received permission for 9 delegates to attend. The San Francisco Bay Area delegation will include representatives from Levi's Stadium, Santa Clara, San Jose and San Francisco. The Stadium Authority will be represented by Assistant City Manager Ruth Shikada. In addition to understanding what will be required of Levi's Stadium, she will also focus on expectations related to government assurances/commitments and local initiatives. The planned agenda includes:

- Bidding Process
- General Issues: Hosting Documents, Government relationships, Bid Committee Operations, and Compliance
- Stadiums & Training Sites: Stadiums (incl. Drawings, Renovation Plans, etc.), Venue Specific Training Sites, Team Base Camp Training sites, etc.
- Host Cities: Host City Preparations, Transport, Airports, Visitor Servicing, Fan Fest, Accommodation, Host City Diagrams, Technology, etc.
- Sustainability & Communication: Sustainability, Human Rights, Legacy, Innovation, Communications

Upcoming Levi's Stadium Events:

November 5 – 49ers vs. Cardinals
November 12 – 49ers vs. Giants
November 19 – Golden Heart 4.2K Run Walk
November 26 – 49ers vs. Seahawks



RESPONSES TO COUNCIL INQUIRIES

Affordable Housing Legislation Assessment: Attached (Attachment A), please find information on staff's assessment to evaluate recent bills signed into law that may impact the City Council's direction to develop an affordable housing policy. Based on completion of this assessment, staff will now begin work to complete our review and policy development, with consideration of the input provided by the established working group. A date certain to present a recommended policy will be posted in an upcoming Tentative Agenda Pending List of Council Items.

Inquiry Regarding October 10, 2017 City Council Bills and Claims Report: In response to Council questions, the attached information (Attachment B) is provided regarding the Bills and Claims. The Bills and Claims listing represents the cash disbursements required for operations of the City during that specific period. Disbursements are made weekly based on invoices submitted for payment. The responsible department enters the invoice for payment into the City's Accounts Payable system. Accounts Payable staff reviews the entry and processes the invoice for payment. As a final step, the City Auditor's Office reviews and verifies all documents before payments are issued. It is important to note that if these costs are Stadium related they were charged to the Stadium activity code in the General Fund and will be billed to ManCo for reimbursement. ManCo will pay the invoice on behalf of StadCo (49ers) or the Stadium Authority depending on the type of event (NFL vs Non-NFL).

Other Post-Employment Benefits: The following information is provided in response to a Council inquiry made at the October 24, 2017 Council meeting regarding the City's Other Post Employment Benefit (OPEB) Plan. The City's single-employer defined benefit Other Post Employment Benefit (OPEB) Plan provides reimbursements to retirees for qualified health expenses. Retirees who have at least ten years of service and meet certain criteria based upon retirement date, household income in the most recent calendar year, and age are entitled to reimbursements for qualified expenses. Annual maximum reimbursement amounts differ depending on when an employee retired from City service. The majority of retirees may be eligible for a maximum of \$3,912 in annual reimbursements. In fiscal year 2007-08, the City established an irrevocable exclusive multi-employer benefit trust which is administered by Public Agency Retirement Services (PARS). The trust is used to accumulate and invest assets necessary to reimburse retirees. The current OPEB Unfunded Accrued Liability (UAL) is \$45.2 million and is 25.9% funded. The City's current funding strategy is to pay off this UAL over 22 years. The City will be implementing Government Accounting Standards Board (GASB) Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, in the fiscal year 2017-18 Comprehensive Annual Financial Report (CAFR). Statement 75 requires governments to report a liability on the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities.



COMMUNITY EVENTS & MEETINGS

Youth Activity Center (YAC) Hosts Ever Popular Halloween Party on October 31: A "Minion themed" party will be held at the YAC on October 31 from 3-6 p.m. Activities include a costume contest, pumpkin walk, jump houses, trick or treats, music and many costumed friends.

Machado Park Playground Rehabilitation on November 2: A community meeting is being held at the Machado Park Building located at 3360 Cabrillo Avenue on November 2 from 7-9 p.m. on the future rehabilitation project for the Machado Park Playground.

Fuller Street Park Phase II - Sport Court on November 4: A community meeting will be held from 1-3 p.m. at Fuller Park at 61 Fuller Street. If rain is forecasted, the meeting will be held in the Agnews Park Building. The community is invited to attend to discuss ideas for the Fuller Street Park Sport Court.

Agnews Park Playground Rehabilitation November 4: A community meeting will be held from 10 a.m.-12 p.m. at Agnews Park located at 2150 Agnew Road. The community is invited to attend to discuss ideas for the Agnews Park Playground Rehabilitation Project.

Contact Information:

City Manager's Office at (408) 615-2210 or manager@santaclaraca.gov





**City of
Santa Clara**
The Center of What's Possible

Community Development
Memorandum

Date: October 26, 2017

To: City Manager

From: Director of Community Development

Subject: 2017 Housing Bills and Proposed Affordable Housing Impact Fee and Inclusionary Requirement Ordinance

Background

The provision of housing within Santa Clara for people of all income levels is an important goal for the City, as stated in the City's General Plan.

General Plan Goal 5.3.2-G1:

Equitable housing opportunities within the community for persons of all economic levels, regardless of religion, gender, sexual orientation, marital status, national origin, ancestry, familial status, race, color, age, source of income or mental or physical disability

General Plan Goal:

5.3.2-G2 A variety of housing types, sizes, location and tenure in order to maintain social and economic diversity in the City.

The City is also obligated under State law to plan for housing at all income levels and to provide annual reports to the State regarding the City's housing production by affordability level. Affordability level is divided into four classifications of housing costs affordable to people of different income levels defined as a percentage of the Area Median Income (AMI). The City is assigned a target number of housing units for an eight year period. The City has completed two years of its current eight year cycle (2015-2022), and produced housing by affordability category as summarized in the following table.

Affordability Level	Target Production 2015-2023	Actual Production 2015-2016
Extremely Low	525	0
Very Low	525	0
Low	694	1
Moderate (80% - 120% AMI)	719	36
Market Rate	951	642

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Historically the City has delivered affordable housing through two primary tools, the imposition of requirements on new residential development to set aside a percentage of the project as affordable housing, and the use of City funds (primarily Redevelopment Area tax increment revenue and the City's US Housing and Urban Development grants) to partner with affordable housing developers to produce affordable projects in Santa Clara. Both of these tools were significantly reduced in recent years through a court ruling (e.g.; "The Palmer decision") which prevent cities from imposing affordability requirements on rental apartment projects and through the City's abolishment of Redevelopment agencies. The City has continued to impose a requirement that 10% of the units in new for-sale development be designated as affordable units, typically in the moderate 120% AMI category.

Housing at all levels of affordability, and particularly for units within the designated levels, remains a critical need within the community as job growth continues and housing becomes increasingly unaffordable to a majority of the local population. To reinvigorate the City's ability to produce affordable housing, the City helped to fund a multi-jurisdictional collaborative effort to produce an Affordable Housing Nexus Study, prepared by Keyser Marston Associates. The Nexus Study provided the City with the legal ability to enact an Affordable Housing Impact Fee which can be imposed upon new residential and non-residential development. Revenue collected through this fee would be used to fund new affordable housing projects.

On September 29, 2017, Governor Jerry Brown signed legislation approving a number of Senate/Assembly bills brought forward by the State legislature to address the State's housing affordability crisis. At the October 10, 2016 City Council meeting, the Council directed staff to conduct an analysis of these bills and their implications for the City's proposed Impact Fee and return to the City Council once that analysis is complete.

A summary of the new bills and possible effects on the City's housing programs is included as part of this report.

2017 Housing Bills

While the bills overlap in various ways, they can be organized into the following categories:

- AB1505 enables the City to impose an inclusionary requirement on rental units.
- SB2, SB3 and AB571 create new funding sources to support affordable, farmworker (and market rate TOD) housing
- SB35, SB167, SB540, AB678, and AB1515 streamline approvals for new housing and limit a local jurisdictions ability to regulate/deny new housing development
- AB72, AB73, SB166, AB879 and AB1397 place additional requirements upon local jurisdictions to plan for new housing.
- AB1521 requires owners of assisted housing to accept qualified purchase offers.

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Of the new bills signed into law and reviewed as part of this effort, only AB1505 directly affects the City's proposed ordinance and ability to impose inclusionary requirements on new housing, while the bills would either streamline or fund new housing production in various ways.

AB1505

AB1505 allows for two key elements that were not in place at the time of the City's proposed Ordinance:

- Allows jurisdictions to enact inclusionary requirements for affordable housing (including rental) within new residential development (e.g. reverses Palmer).
- Allows State HCD upon review to limit inclusionary requirements to no more than 15% of units affordable at 80% AMI.

As a result of AB1505, cities can once again adopt inclusionary requirements for rental development with a strong legal basis and are not bound by nexus constraints when doing so.

Next Steps

As staff moves forward with a policy recommendation for Council consideration there are a number of factors that it will need to be considered including:

- What approach maximizes the number of affordable housing units in the City.
- Providing the City the discretion to determine when units should be included as part of a project.
- Ensuring that affordable units are mixed, and not separate, from market rate units.
- Providing units at all levels of affordability.

Staff will identify a near-term date for future Council consideration and will include it as part of the pending agenda items list.

Summaries of the 2017 Housing Bills

AB 1505 (Bloom/Bradford/Chiu/Gloria) authorizes cities and counties to adopt an inclusionary ordinance for residential rental units in order to create affordable housing. The bill declared the legislative intent in adding subdivision (g) to Section 65850 of the Government Code to supersede the holding and dicta in the court decision of *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396 to the extent that the decision conflicts with a local jurisdiction's authority to impose inclusionary housing ordinances pursuant to subdivision (g) of Section 65850 of the Government Code. Subdivision (g) authorizes cities and counties to Require, as a condition of the development of residential rental units, that the development include a certain percentage of residential rental units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income households specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code. The ordinance shall provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units.

- Allows jurisdictions to enact inclusionary requirements for affordable housing within new residential development (e.g. reverses Palmer).
- Allows State HCD upon review to limit inclusionary requirements to no more than 15% of units affordable at 80% AMI. Such a limitation could be imposed if the requirement is found to be an impediment to housing production (defined as providing less than 75% of the RHNA allocation for above moderate income households unless otherwise demonstrated not to be an impediment by an economic feasibility study), or the jurisdiction has failed to submit an annual HCD report for two years.

SB 2 (Atkins), the Building Homes and Jobs Act, establishes a permanent funding source for affordable housing through a \$75 fee on real estate transaction documents. The fee is capped at \$225 per transaction and exempts real estate sales. The fees would generate roughly \$250 million a year, which would be split among state and local housing programs.

SB2 creates a permanent source of funding for affordable housing. Initially (in 2018) 50% would be dedicated to local jurisdictions, increasing to 70% in the second year and following. Allocated funds must be expended within 5 years. 2018 funds may be used by local jurisdictions to fund planning activities that streamline housing production. In 2019 and subsequent funds will be awarded through a competitive grant program based on the process/formulas set forth in US Code Section 5306 of Title 42 and with priority for low income/rural areas and for the provision of transitional housing and homelessness prevention.

2017 Housing Bills and Proposed Affordable Housing Impact Fee and Inclusionary Requirement Ordinance

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The City's Focus Area plans and zoning code update would potentially qualify for the funds available in 2018. The Bill should generate significant long term revenue, and while Santa Clara would be less competitive than more rural/low income jurisdictions, should still be able to submit qualifying grant applications in 2019 or later years. The City's Planning program could benefit in 2018 and the City's Housing program could benefit in the later years. Preparation of the Housing Impact Fee and Inclusionary ordinance would not directly benefit, but the potential availability of additional funding sources for affordable housing may be a consideration in the City's decision making process.

SB 3 (Beall) authorizes \$4 billion in general obligation bonds for affordable housing programs and a veteran's home ownership program. SB 3 must be approved by voters next November.

If approved by voters, the following would be made available:

- \$1.5 billion to fund the production of affordable multi-family housing through the State Housing Rehabilitation Fund;
- \$150 million to support transit oriented development (TOD) including technical assistance, loans and grants through the State Transit Oriented Development Implementation Fund;
- \$300 million for infrastructure (parks, water, sewer, and transportation) to support infill development;
- \$300 million for housing for agricultural workers;
- \$300 million for mortgage assistance;
- \$300 million for local housing trust funds; and
- \$150 million for the State Self-Help Housing Fund

The City could pursue additional funding to support the production of TOD and affordable housing projects. Preparation of the Housing Impact Fee and Inclusionary ordinance would not directly benefit, but the potential availability of additional funding sources for affordable housing may be a consideration in the City's decision making process.

AB 571 (E. Garcia) makes changes to the farmworker housing tax credit set-aside within the Low Income Housing Tax Credit (LIHTC) Program and to the Department of Housing And Community Development's (HCD) Office of Migrant Services (OMS). These changes would make it easier to develop farmworker housing by easing qualifications for the tax credit program.

SB 35 (Wiener) streamlines the approval process for infill developments in local communities that have failed to meet their regional housing needs.

SB35 changes the State procedures for annual review of the City's Housing Element. Any jurisdiction that does not meet its RHNA allotments by income category (which would include Santa Clara) must approve qualifying multi-family housing development projects (including conformance with prevailing wage) through a ministerial permit process with specified review periods of 60 or 90 days depending upon the project size. Qualifying projects are exempted from local parking standards. Absent a conforming zoning district, projects may proceed if they conform to the General Plan.

This bill is complex, but it is reasonable to anticipate that some project developers will make use of its provisions in Santa Clara. The City should amend its Zoning Code, General Plan and/or Zoning Diagram to incorporate objective standards (not currently in place) to insure such projects meet minimum design standards. This will impact the Planning Division work program. Fortunately the City is about to embark on a comprehensive zoning code update.

SB 167 (Skinner) increases the standard of proof required for a local government to justify a denial of low- and moderate-income housing development projects. (SB 167 is identical to AB 678.)

Under SB167 a local jurisdiction could be subject to fines (\$10,000) and/or legal judgment if it fails to approve, or unduly conditions the approval of qualifying affordable residential development projects. Enhanced fines of up to \$50,000 are possible if the City acted in bad faith. The bill is complex and includes numerous provisions to determine if a project qualifies for the offered protection. The bill may encourage more developers to propose affordable projects and could limit the City's ability to deny or condition such projects.

SB 540 (Roth) streamlines the housing approval process by having cities identify Workforce Housing Opportunity Zones, which would focus on workforce and affordable housing in areas close to jobs and transit and conform to California's greenhouse gas reduction laws.

This bill would authorize a local government, as defined, to establish a Workforce Housing Opportunity Zone by preparing an EIR pursuant to CEQA and adopting a specific plan. Zone preparation costs may be reimbursed through a fee. Adoption of the Zone provides the ability to apply for grants. The jurisdiction must then approve development that is consistent with the Zone for up to 5 years.

AB 1515 (Daly) requires housing projects to be deemed consistent, compliant, and in conformity with an applicable plan, if there is substantial evidence that would allow a

reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

The City would need to make specified findings in order to deny an affordable housing or emergency shelter project. If the City denies such a project, affected/interested parties may file with the court and a judge could direct the City to approve the project if the City's findings are determined to be inadequate. The bill may encourage more developers to propose affordable projects and could limit the City's ability to deny or condition such projects.

AB 72 (Santiago) provides the Department of Housing and Community Development broad new authority to review any action by a city or county that it determines is inconsistent with an adopted housing element.

This will require Santa Clara to dedicate additional planning staff/consultant resources for its next Housing Element update in 2022-2023 to respond to increased State oversight of the Housing Element approval process.

AB 73 (Chiu) allows a city or county to create a housing sustainability district to complete upfront zoning and environmental review in order to receive incentive payments for development projects that are consistent with the district's ordinance. This measure is similar to SB 540 (Roth)

This bill allows for ministerial approval of residential projects within a housing sustainability district that the City has established by ordinance. Similar to the Specific Plan process, the City can include design review standards and fees to offset the City's initial costs to establish the district. This is intended to provide the local jurisdiction with a tool to expedite the approval process for conforming projects by avoiding the need for subsequent CEQA review once the district is adopted, although adoption of the district would require CEQA review. The City could take advantage of this provision in the future, but it is not currently envisioned within the General Plan and it is unclear what advantage it would provide in comparison to a Specific Plan and program EIR.

SB 166 (Skinner) mandates that cities maintain an ongoing supply of housing construction sites for residents of various income levels.

SB166 requires local cities to evaluate consistency with the Housing Element prior to any General Plan or Zoning change that could reduce housing production including approval of projects at less than the maximum allowed density. If the action would bring the city out of compliance with its Housing Element, it must make land use changes within 180 days to return to compliance. Cities may require an applicant to increase

project density in order to comply with the Housing Element. This bill will require Planning staff to perform additional analysis as part of the land use entitlement process and may affect the outcome of that process or mandate staff to quickly bring forward changes to the General Plan and/or zoning to insure Housing Element compliance. The need for rezonings could have a significant impact upon Department workload.

AB 879 (Grayson) *modifies existing annual Housing Element filing requirements to include the number of housing development applications received in the prior year, units included in all development applications in the prior year, units approved and disapproved in the prior year, and a listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on specified sites.*

This bill will require Planning staff to perform additional analysis as part of the land use entitlement process and may affect the outcome of that process or mandate staff to quickly bring forward changes to the General Plan and/or zoning to insure Housing Element compliance. The need for rezonings could have a significant impact upon Department workload. The City may also be constrained in its ability to charge impact or mitigation fees.

AB 1397 (Low) *makes changes to the definition of land suitable for residential development to increase the number of sites where new multifamily housing can be built.*

AB1397 adds significant requirements to the preparation of a Housing Element, including additional technical analyses, community outreach and rezoning of properties to satisfy the jurisdiction's RHNA allocations for various income levels. This will require Santa Clara to dedicate additional planning staff/consultant resources for its next Housing Element update in 2022-2023. Additional work would also be required in cases where SB166 prompts the need for a Housing Element update.

AB 1521 (Bloom) *strengthens the Preservation Notice Law regarding the preservation of assisted housing developments by requiring an owner of an assisted housing development to accept a bona fide offer to purchase from a qualified purchaser (First Right of Refusal: Affordable Housing Sales).*

This bill would require the owner of affordable multi-family housing development within Santa Clara who is proposing to sell the development to give priority to a buyer who would maintain it as an affordable development. Given the lack of such conversions in recent history in Santa Clara, it is unclear that this project would have much impact upon City activity. The Housing Division will monitor any potential transactions that would be subject to this requirement.

Response to Council Questions related to the October 10, 2017 City Council Bills and Claims Report:

1. Registration costs to attend a Special Event Planning Course held by the Pasadena Police Department. This course will allow participants to better understand the work and resources involved in planning events at Levi's Stadium.

Payment No: 618917

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/05/2017	PASADENA POLICE DEPT	00405157	10/19-21/2017 SPEC EVENTS COUR	REGISTRATION D RUSH	General Fund	153.00
10/05/2017	PASADENA POLICE DEPT	00405157	10/19-21/2017 SPEC EVENTS COUR	REGISTRATION R SHIKADA	S.C.Stadium Authority Ops	153.00
Total for Payment No.:						306.00

2. The first payment of \$955.74 is a routine cost charged to the City for the transport of prisoners. This cost is not Stadium related. The second invoice is for the cost of County deputies that worked the 49ers/Chargers game held on August 31, 2017. The last invoice is for the cost of the County deputies that worked the 49ers/Broncos game held on August 19, 2017.

Payment No: 006067

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/05/2017	COUNTY OF SANTA CLARA	00405639	1800059272	August prisoner transportation	General Fund	955.74
10/05/2017	COUNTY OF SANTA CLARA	00405925	J17-0096	TRANSPORT DEPUTIES 8/31/17	General Fund	7,544.57
10/05/2017	COUNTY OF SANTA CLARA	00405926	J17-0095	TRANSPORT DEPUTIES 8/19/17	General Fund	7,481.82
Total for Payment No.:						15982.13

3. This payment was voided and reissued (see #4 below). The amount entered into the Accounts Payable system was incorrect. The amount for 8/31 of \$5,109.73 was transposed; it should have been \$5,190.73. The City Auditor's Office found this error during their review of the documents. Staff is working on revising the Bills and Claims report so that voided checks no longer show on the report.

Payment No: 618812

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
09/28/2017	CENTERPLATE	00405500	BI7934000013548	8.19.17--CATERING SCPD LEVI	General Fund	5,502.96
09/28/2017	CENTERPLATE	00405501	BI7934000013729	8.31.17--CATERING SCPD LEVI	General Fund	5,109.73
09/28/2017	CENTERPLATE	00405502	BI7934000013941	9.10.17--CATERING SCPD LEVI	General Fund	5,088.34
Total for Payment No.:						15701.03

4. These costs are for staff meals while working three separate NFL games (8/19 - 49ers vs Broncos, 9/10 – 49ers vs Panthers, and 8/31 – 49ers vs Chargers).

Payment No: 618964

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/05/2017	CENTERPLATE	00405500	BI7934000013548	8.19.17--CATERING SCPD LEVI	General Fund	5,502.96
10/05/2017	CENTERPLATE	00405502	BI7934000013941	9.10.17--CATERING SCPD LEVI	General Fund	5,088.34
10/05/2017	CENTERPLATE	00406028	BI7934000013729.	8.31.17--CATERING SCPD LEVI	General Fund	5,190.73
Total for Payment No.:						15782.03

5. EOD (Explosive Ordinance Detection) are County bomb technicians and dogs that are used for Stadium events. These invoices are for the two Gold Cup International Soccer matches held on 7/23 and 7/26.

The Transport Deputies invoice is for the cost of County deputies that worked the 49ers/Panthers game held on September 10, 2017.

Payment No: 005998

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
09/28/2017	COUNTY OF SANTA CLARA	00405496	1800059196	7/23 AND 7/26 EOD TECHS	General Fund	24,390.86
09/28/2017	COUNTY OF SANTA CLARA	00405514	J17-0107	TRANSPORT DEPUTIES 9/10	General Fund	6,123.99
Total for Payment No.:						30514.85

6. This invoice is for the CHP aircraft and CHP traffic control officers that the City used for counter flow and traffic control at the 49ers/Panthers game held on September 10, 2017.

Payment No: 618960

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/05/2017	CA HIGHWAY PATROL	00405919	M0072090	TRAFFIC CNTRL/AIR COVER 9/10	General Fund	31,076.97
Total for Payment No.:						31076.97